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**niagara wires**

THE NIAGARA WIRE WEAVING COMPANY LIMITED  
NIAGARA FALLS, ONTARIO, CANADA

**REPORT  
TO THE  
SHAREHOLDERS**

**For the six month period ended September 30, 1972**



# THE NIAGARA WIRE WEAVING COMPANY LIMITED

and wholly-owned Subsidiary Companies

## Consolidated Statement of Earnings

(Unaudited)

Six months ended Sept. 30  
1972 1971

### TO THE SHAREHOLDERS:

Net income of your company and its wholly-owned subsidiaries before extraordinary items for the six months ended September 30, 1972 was \$498,613 compared with \$211,834 for the corresponding period in 1971. In 1972, an extraordinary gain of \$119,000 increased net income to \$617,613 resulting from the reduction of income tax due to a loss carried forward from prior years by a subsidiary company. In 1971, the comparable extraordinary gain was \$49,900, increasing net income to \$261,734 for that six month period.

Sales for the six months ended September 30, 1972 increased 14.5% above sales for the corresponding period in 1971 and increased 8.0% above average sales for the five immediately preceding corresponding periods. This increase results from the continuing trend of the pulp and paper industry to operate at a higher rate of capacity, most noticeably in the United States.

The fourth addition to the factory in Quincy, Florida has been completed and equipment is being installed.

Your directors have declared a dividend of 20c per share plus a year-end distribution of 20c per share, both payable January 2, 1973 to shareholders of record December 4, 1972. This represents the 150th consecutive dividend paid by your company to its shareholders.

On behalf of the Board,  
E. J. Buell, Jr.  
President

November 15, 1972

	1972	1971
GROSS OPERATING INCOME	\$1,449,086	\$799,498
After deducting or providing for all costs of manufacturing, selling and administration		
Depreciation of property, plant and equipment	456,851	420,192
Interest expense	56,352	64,446
NET OPERATING INCOME	935,883	314,860
OTHER INCOME		
Interest and dividends	31,730	25,615
Profit on sale of investments	—	10,278
	967,613	350,753
PROVISION FOR INCOME TAXES	469,000	138,919
NET INCOME BEFORE EXTRAORDINARY ITEMS	498,613	211,834
Extraordinary items:		
Reduction of income tax due to loss carry forward from prior years	119,000	49,900
NET INCOME AFTER EXTRAORDINARY ITEMS	\$ 617,613	\$261,734
Net income per share:		
Before extraordinary items	\$ 1.04	\$ .44
Extraordinary items	.25	.11
After extraordinary items	\$ 1.29	\$ .55

NOTE: Sales for the six months ended September 30, 1972 (being entirely of Fourdrinier Wires) show an increase of 14.5% over sales for the corresponding period in 1971 and an increase of 8.0% over the average sales for the five immediately preceding corresponding periods.

## Consolidated Statement of Source and Disposition of Funds

(Unaudited)

Six months ended Sept. 30  
1972 1971

SOURCE	1972	1971
Net income after extraordinary items	\$ 617,613	\$261,734
Decrease in long term receivable — Province of Quebec government grant	—	27,828
Charges against income not involving working capital:		
Depreciation	456,851	420,192
Total funds provided	\$1,074,464	\$709,754
APPLICATION		
Additions (net) to property, plant and equipment	489,595	641,666
Dividends on stock	122,182	154,087
Increase in cash surrender value of life insurance	360	453
Retirement of long term insurance loans	184,572	—
Total funds used	\$ 796,709	\$796,206
Increase (Decrease) in working capital	277,755	(86,452)
	\$1,074,464	\$709,754